From:	Stan Sokolowski <ssokolowski@cifc.com>
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CC:	
Date:	Tue, 3/22/2016 10:33:12 PM
Subject:	Daily Update (late day version)

Quote of the Day

"Investors are victims of extrapolating the recent past into the future" – Jeffrey Gundlach

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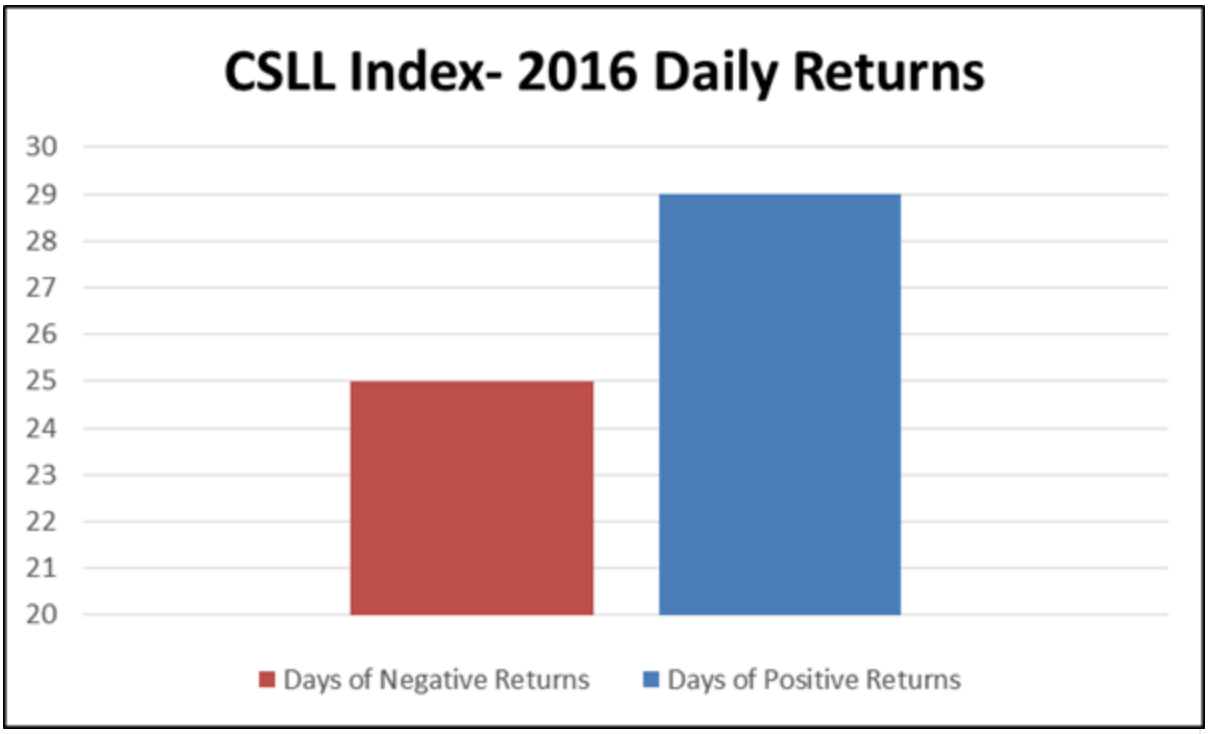
- Most markets are in risk off / pause mode post the horrible islamic terrorist attacks in Belgium earlier today. The death toll is now 28 lives. Sadly, markets are better versus steeper losses this morning (this price action has been a consistent reality post other tragic attacks in recent years – markets have been conditioned…). Today there are rumors that the IMF may be cutting their 2016 global economic growth forecast, the debate over US equity multiples and earnings creeping up is increasing (given recent USD and oil price action) and investors continue to handicap who will be on the ballot come November (Hillary looking highly likely while Trump has the better odds but will probably lack the delegates). Futures: +3. 10 year: 1.92%

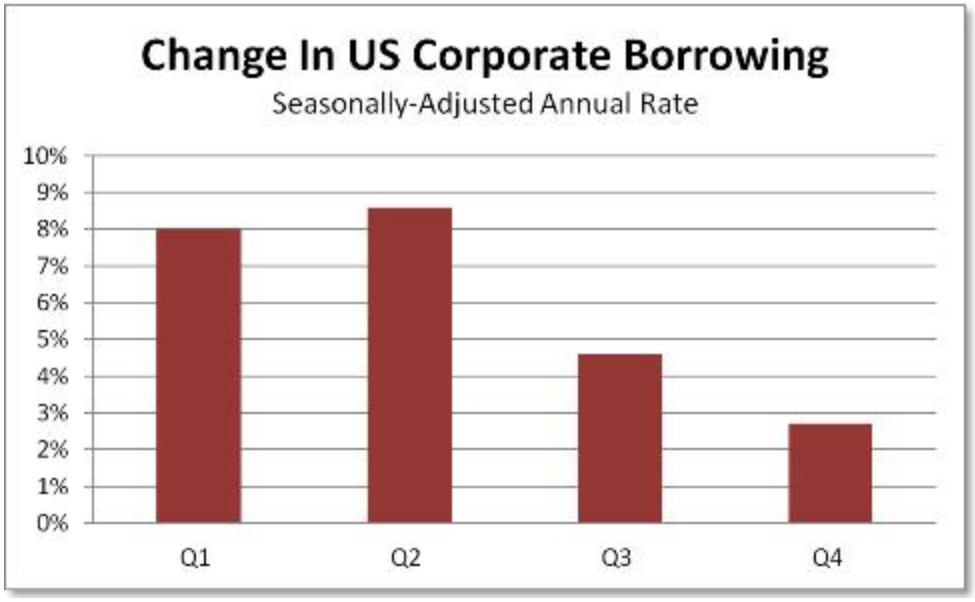
- Data: Markit PMI: (vs. 51.9 exp). EuroArea Manufacturing PMI: 51.4 (vs. 51.4 exp). EuroArea Services PMI: 54 (vs. 53.3 exp)

- Credit: Loans were solid yesterday but are opening quiet and leaning slightly to sellers today. There are 2 BWICs and 2 OWICs in the market today. In loan land, the JPM Leveraged loan Index has bounced +2.33% in March, the largest gain in more than four years and the first positive return for the asset class since July (I bet a lot of investor clients are wishing they listened more closely to the crack marketing team at CIFC during January/February!!!). One item of note in the high yield space is the underperformance of the healthcare sector during March (-3.67%). Thank you Valeant…. Other credit news, Moody's placed Deutsche Bank on review for a downgrade while Atlantic City is planning on a shutdown (unless they receive a financial bailout from the State…).

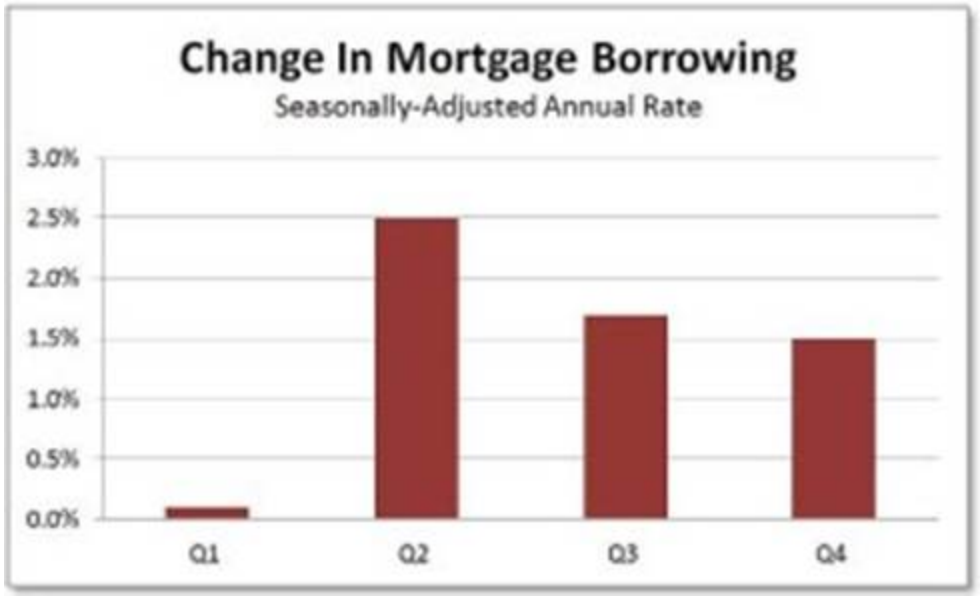
2016 Return Days



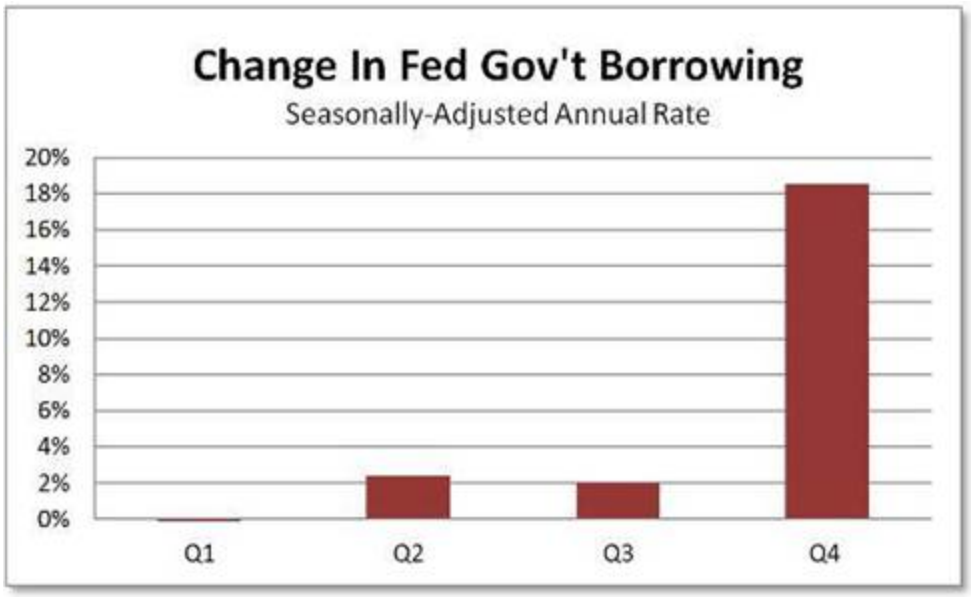
Corporates pulling back[?]



Housing……

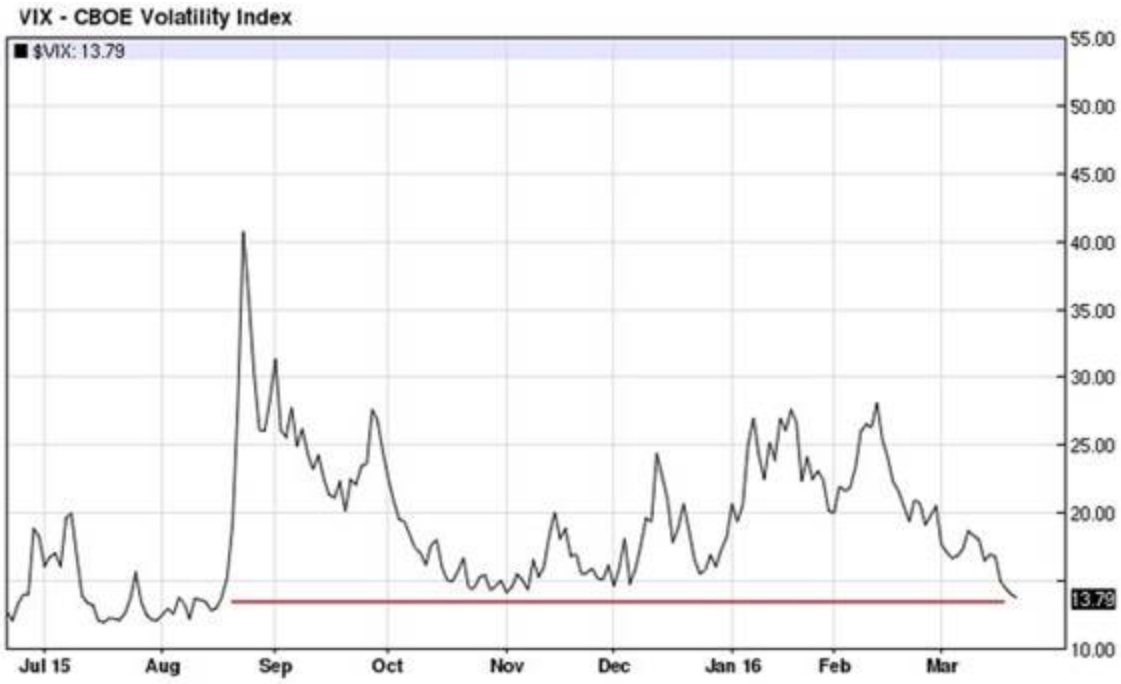


Hmmmmmmmmmmmmm……

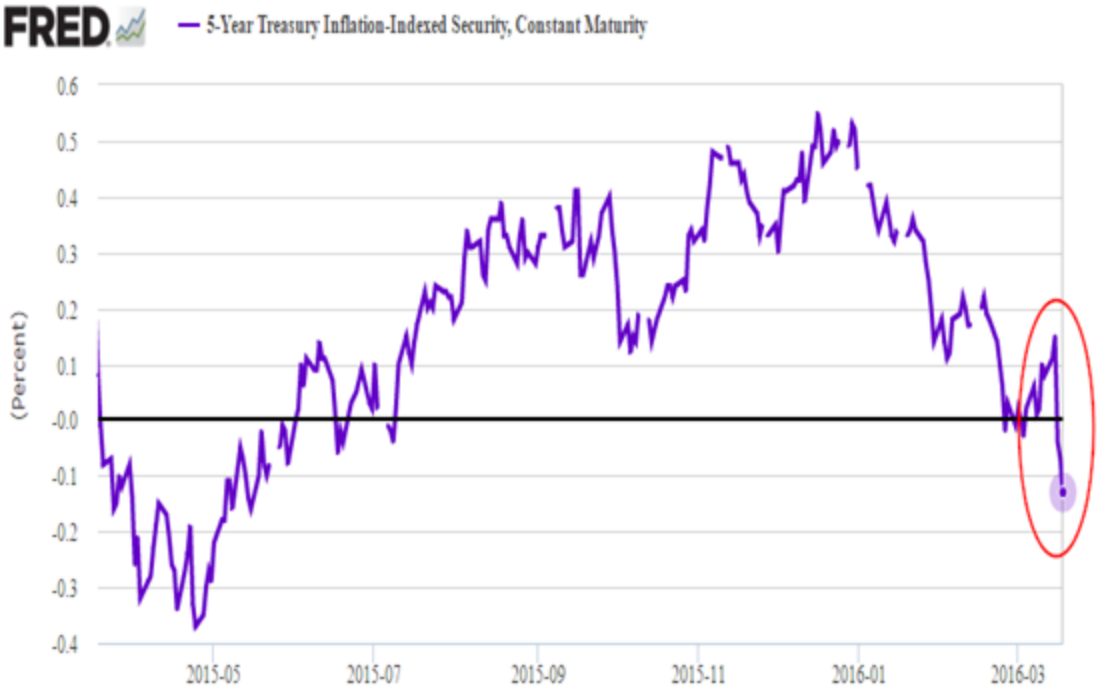


- Charts of the day:

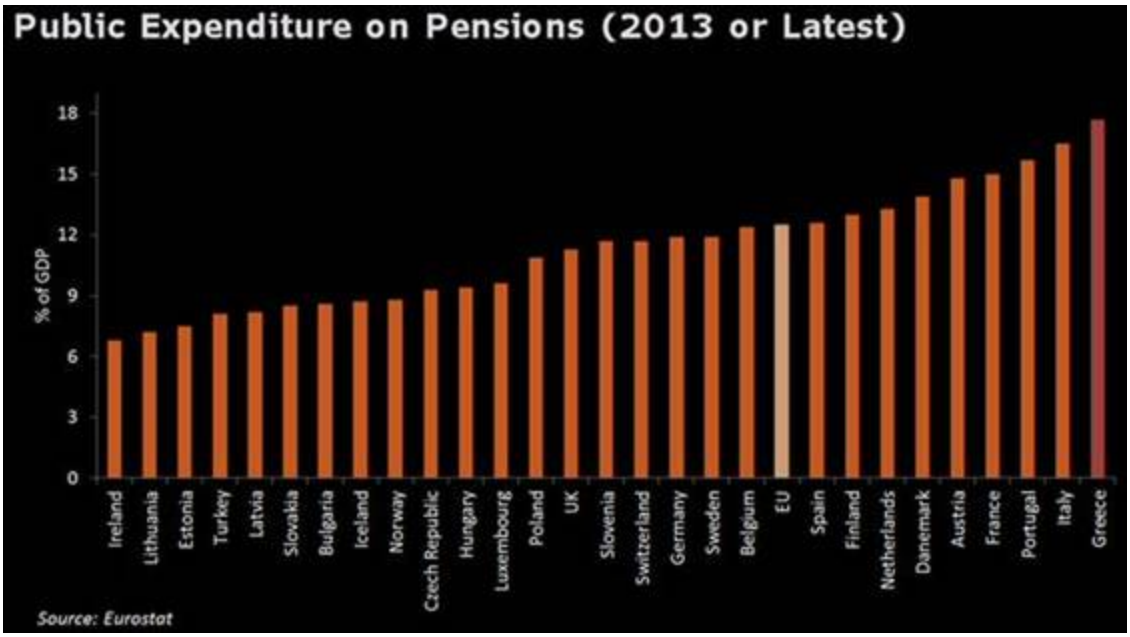
No risk……



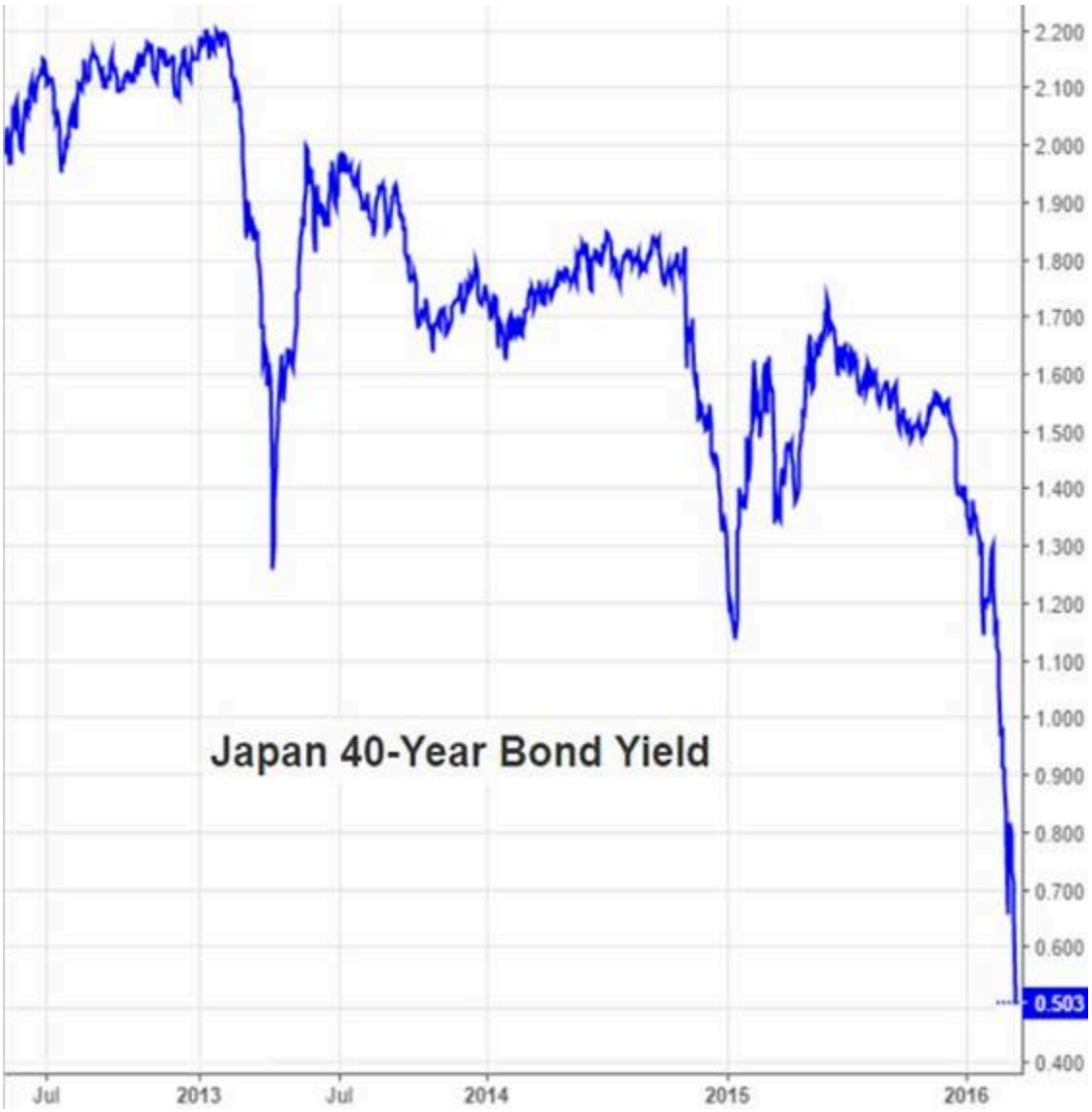
No inflation…..



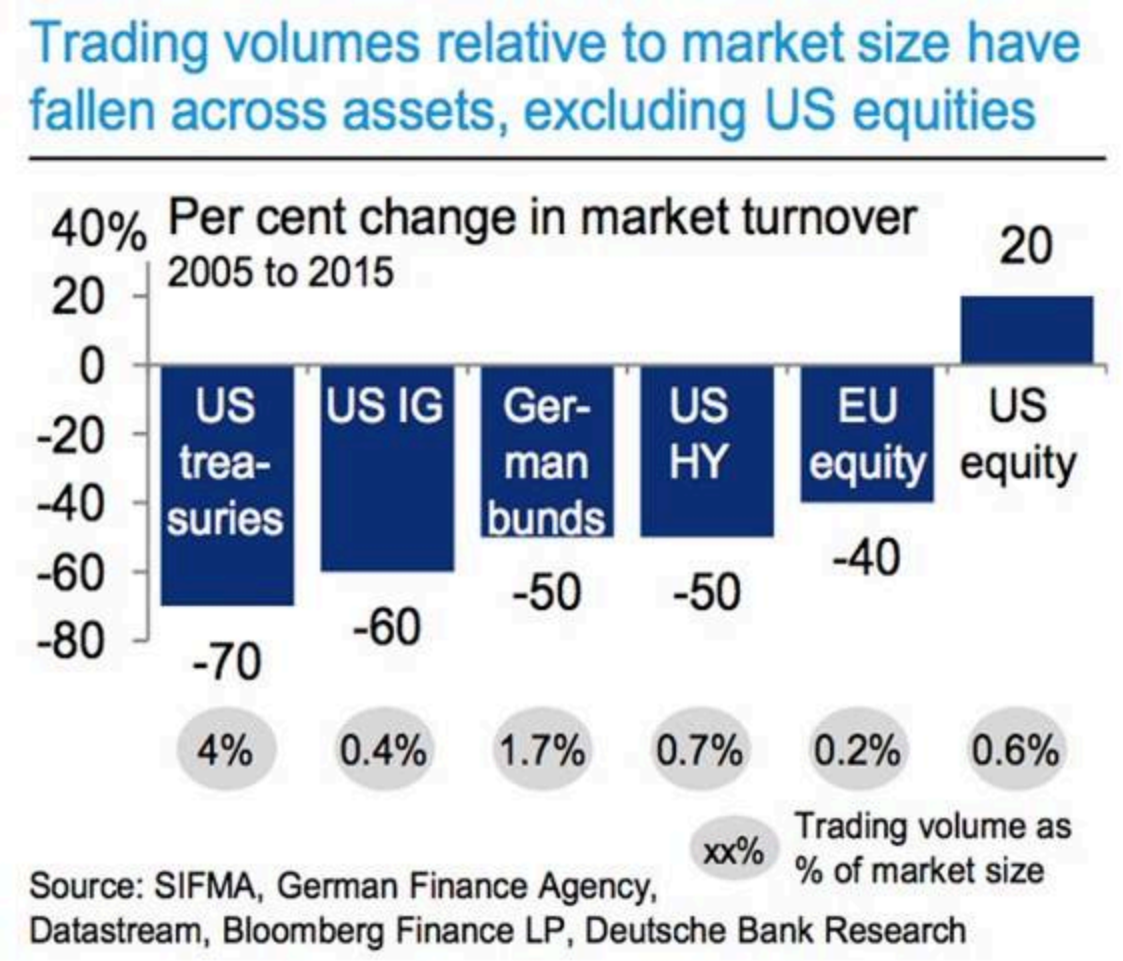
This will end well….



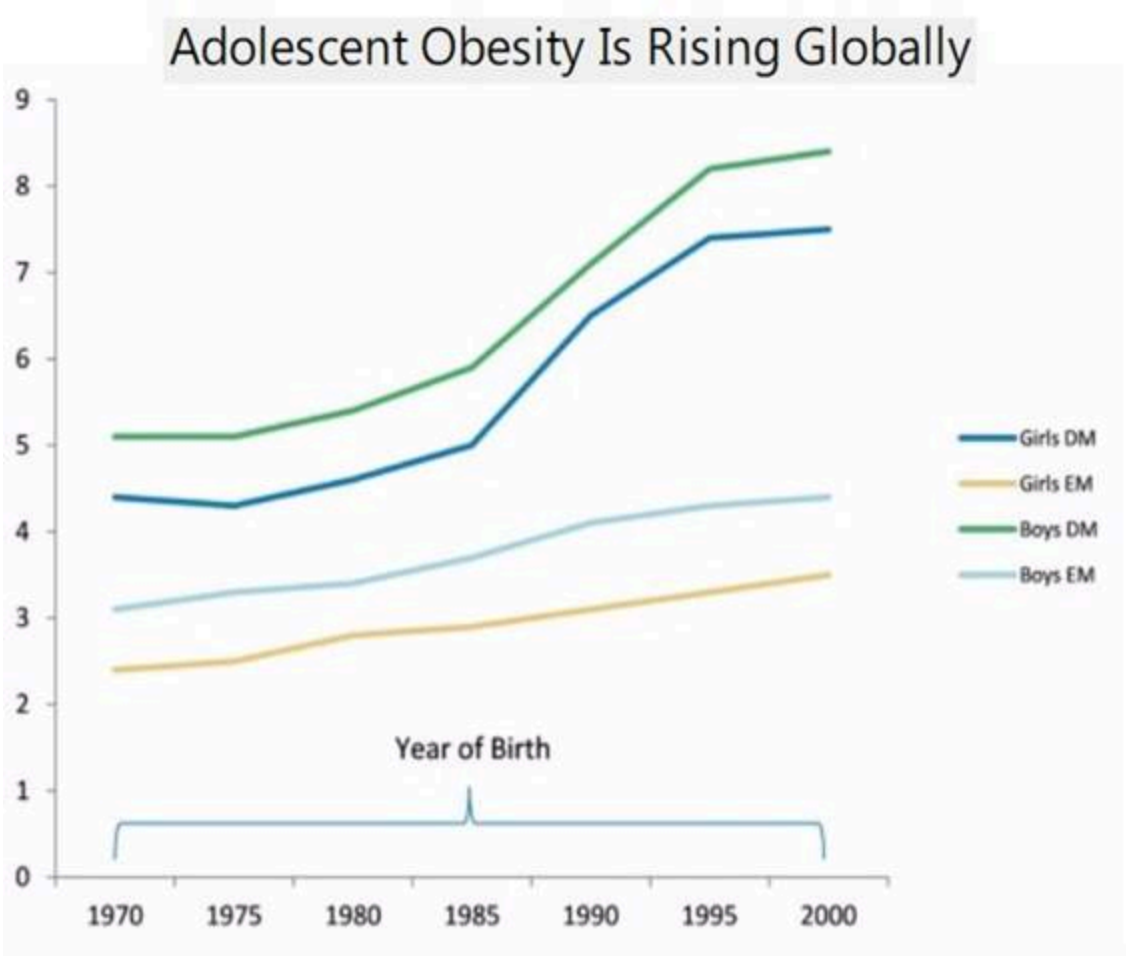
Can I borrow some money 50bps money for 40 years?...



Liquidity Conditions



- Other:
    - Negative interest rate primer http://seekingalpha.com/article/3960108-hail-mary-primer-negative-interest-rates
    - Helicopter dough! (2 articles this morning…) http://blogs.wsj.com/economics/2016/03/21/the-time-and-place-for-helicopter-money/?mod=ST1 & http://www.bloombergview.com/articles/2016-03-22/friedman-s-money-dropping-helicopter-gains-speed
    - "Lingering illiquidity in credit markets, especially for high-yield bonds, has pushed hedge fund strategies like leveraged relative value and long/short credit onto the endangered species list" http://www.pionline.com/article/20160321/PRINT/303219985/liquidity-crunch-endangers-strategies-focused-on-credit-with-little-trading-market-structure-quotout-of-balance?template=print
    - The snack culture =>



- IG: 80 (-5)
- HY: 102 7/8 (-1/4)
- CSSLI: 2.18% mtd / 0.87% ytd

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